

FIG. 1
PRIOR ART

09/03/03 09:00
FILED 03/03/03

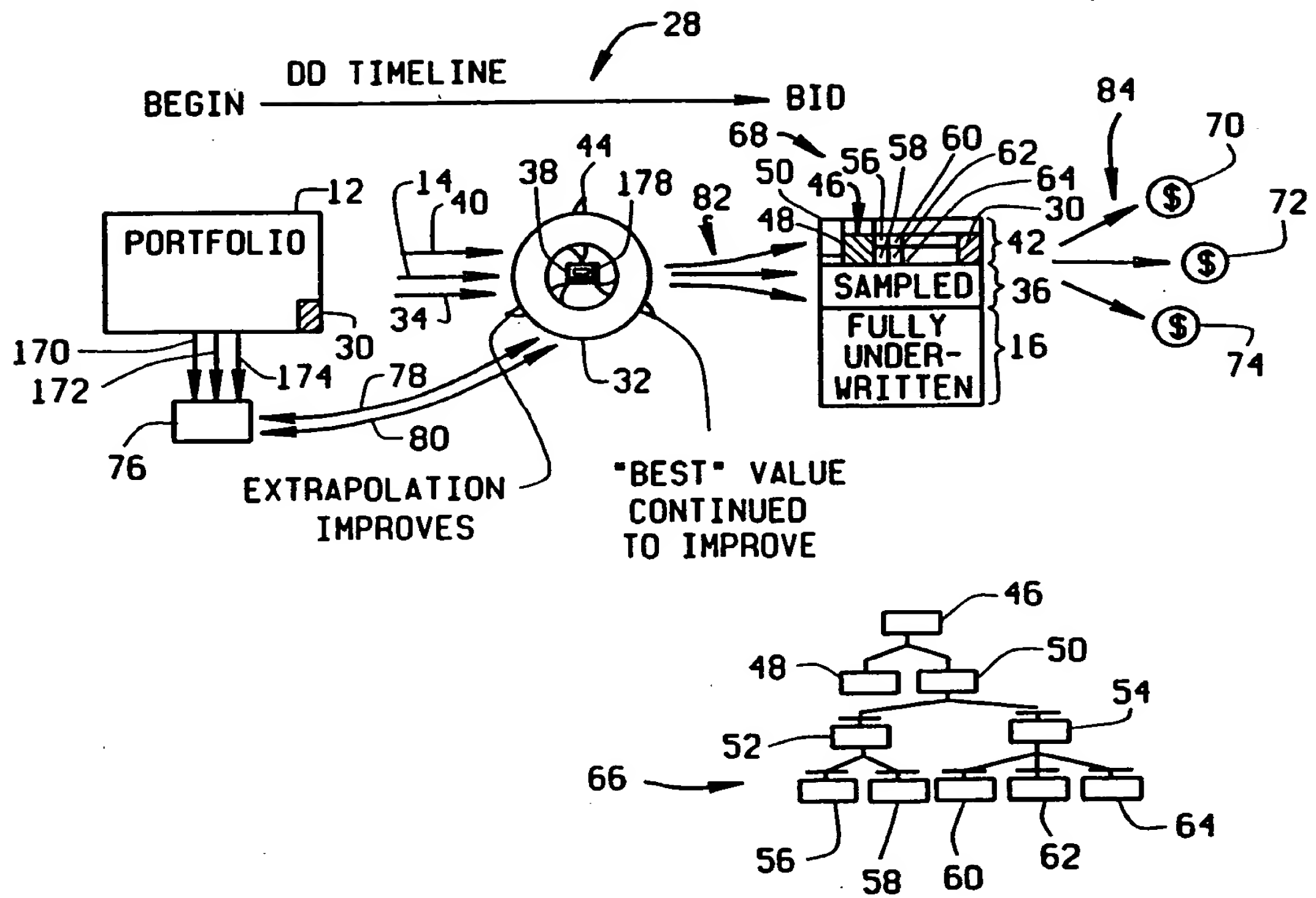
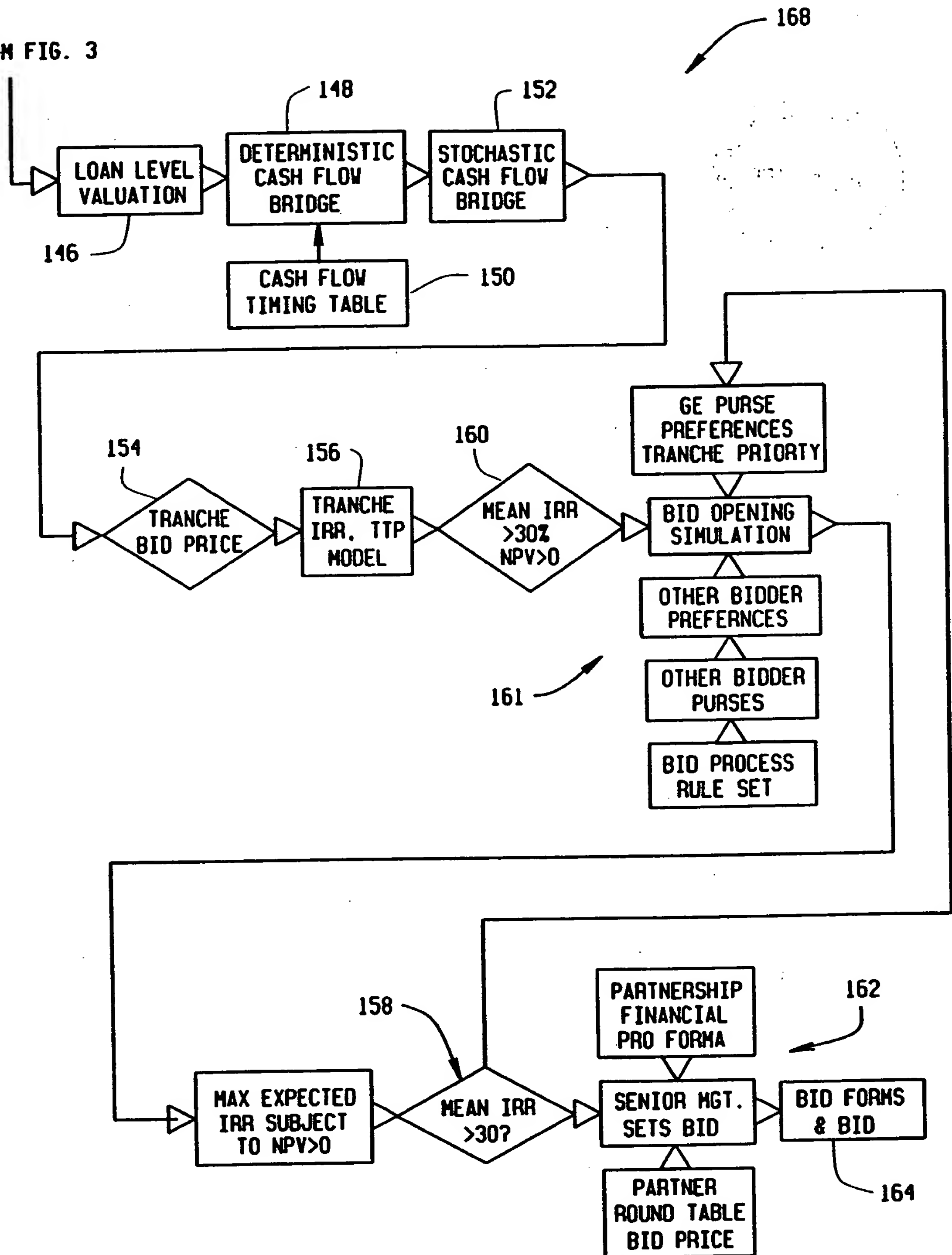


FIG. 2



FIG. 3

FROM FIG. 3



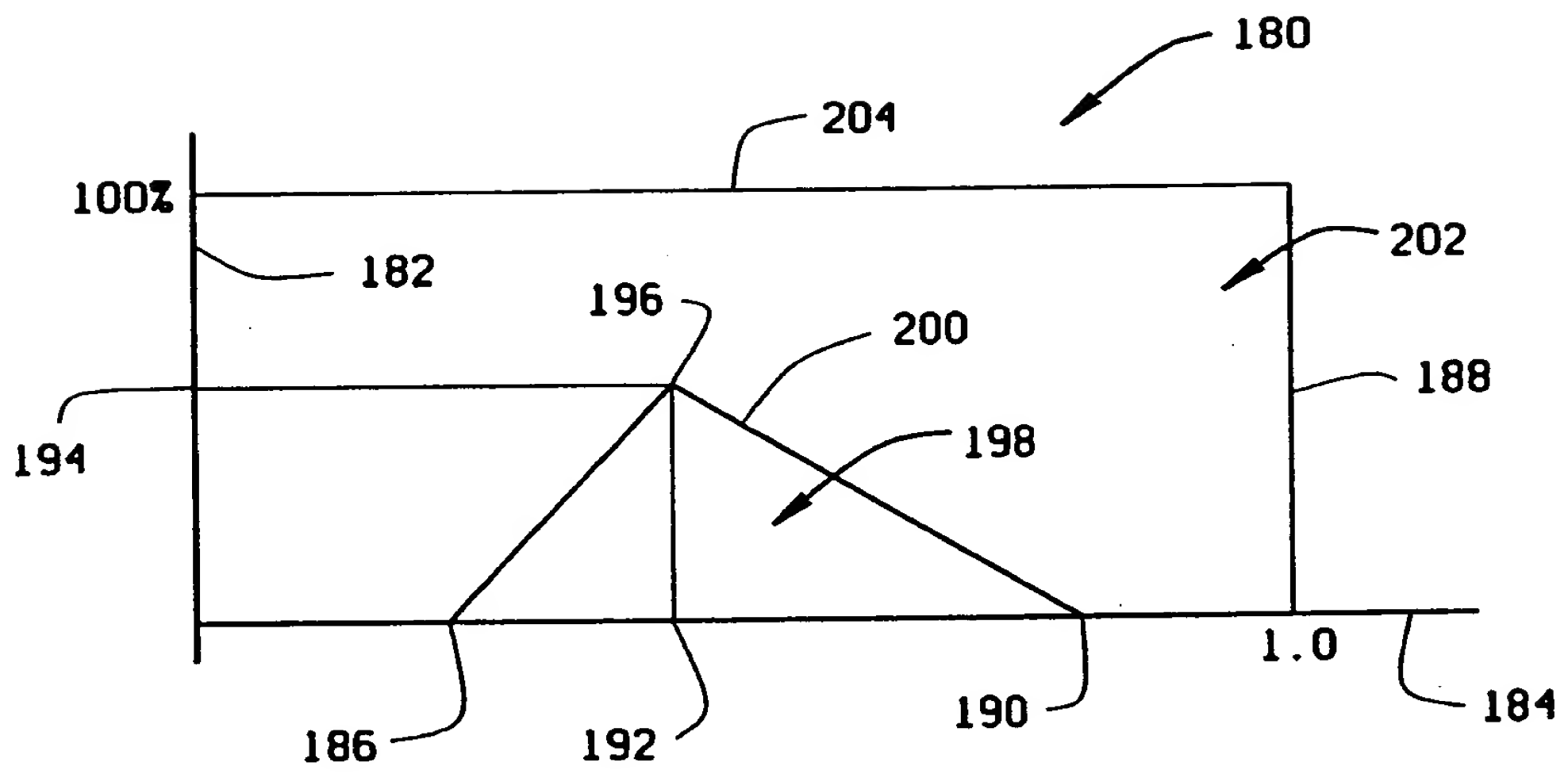


FIG. 5

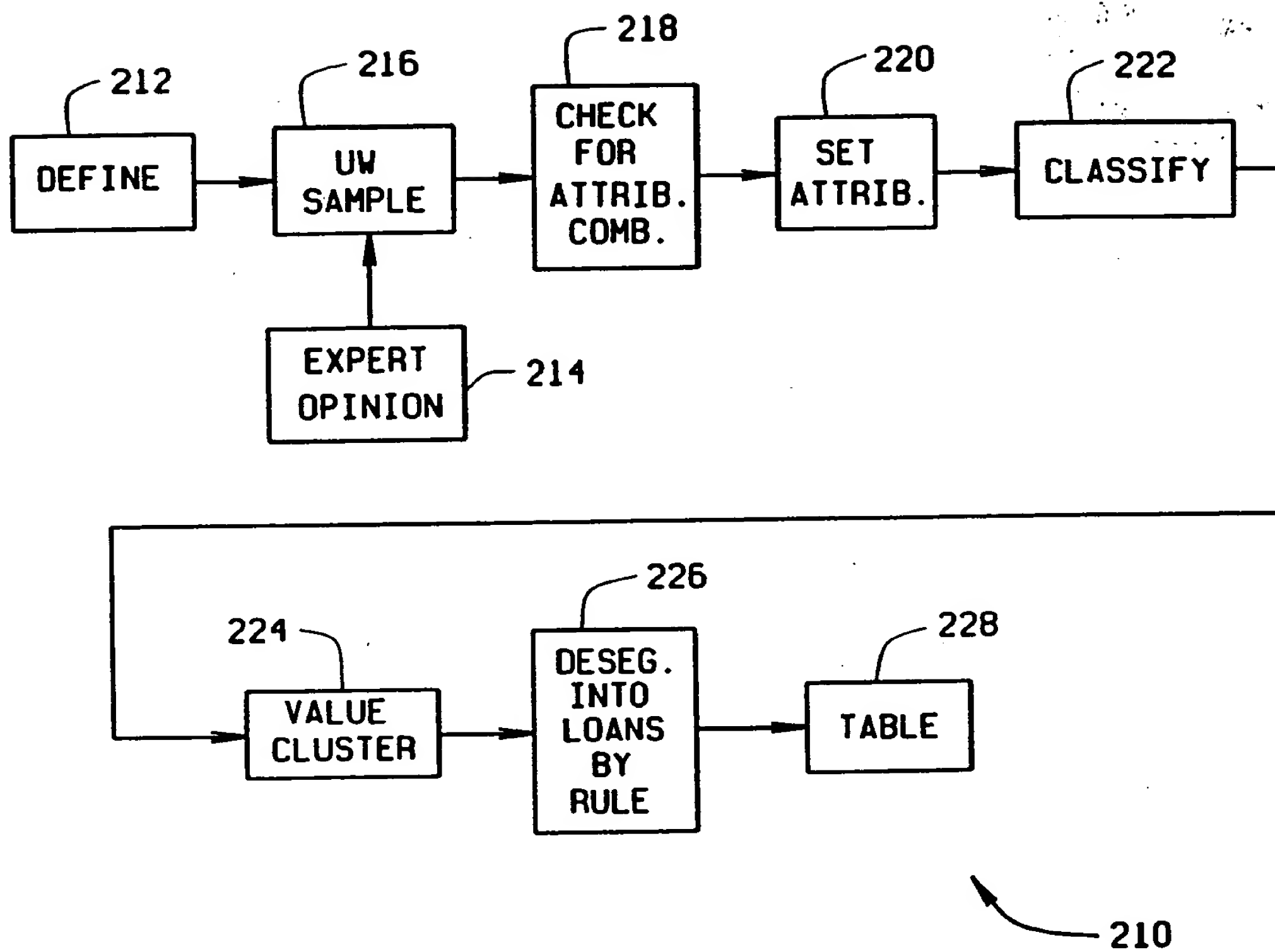


FIG. 6

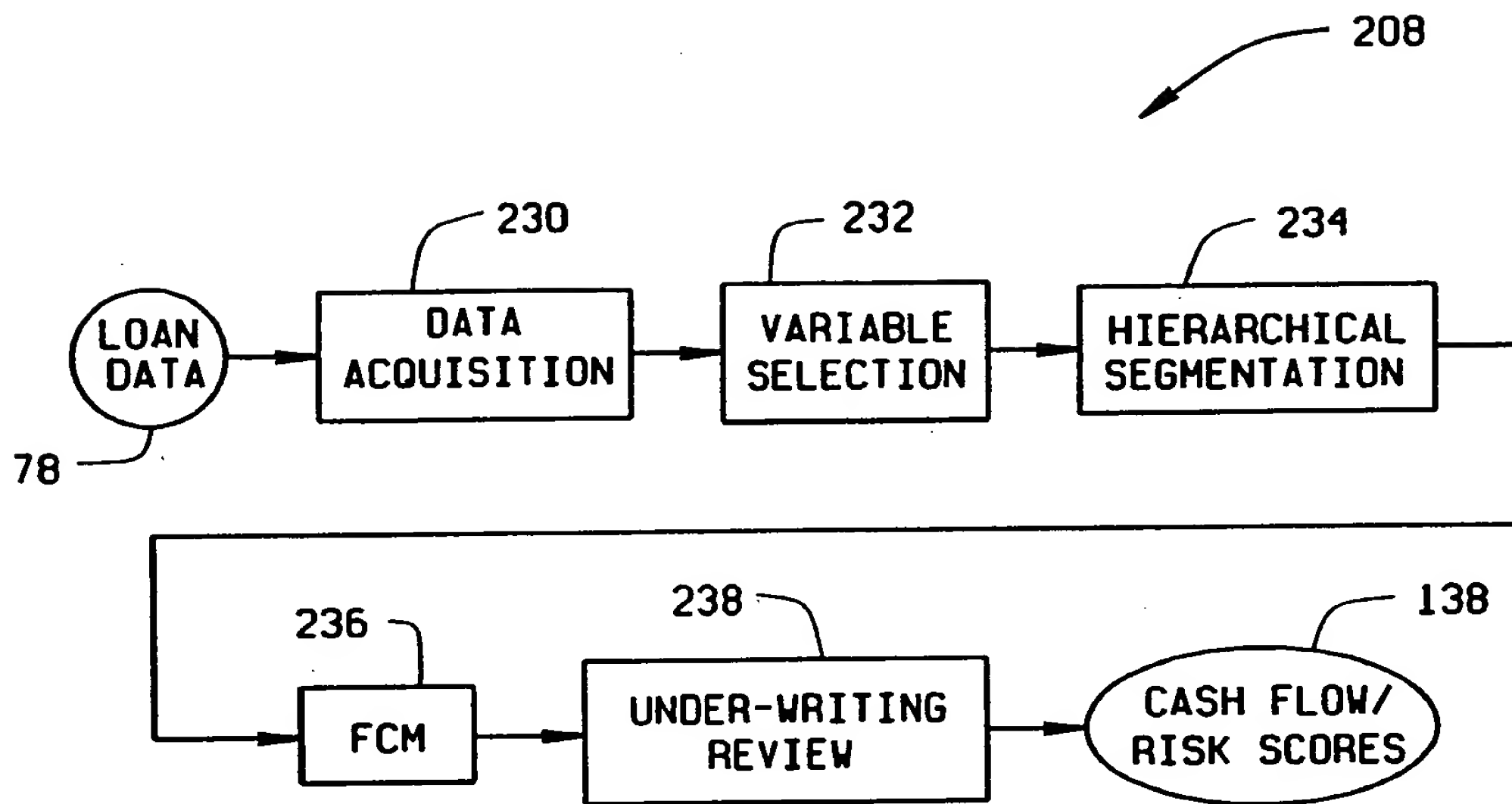


FIG. 7

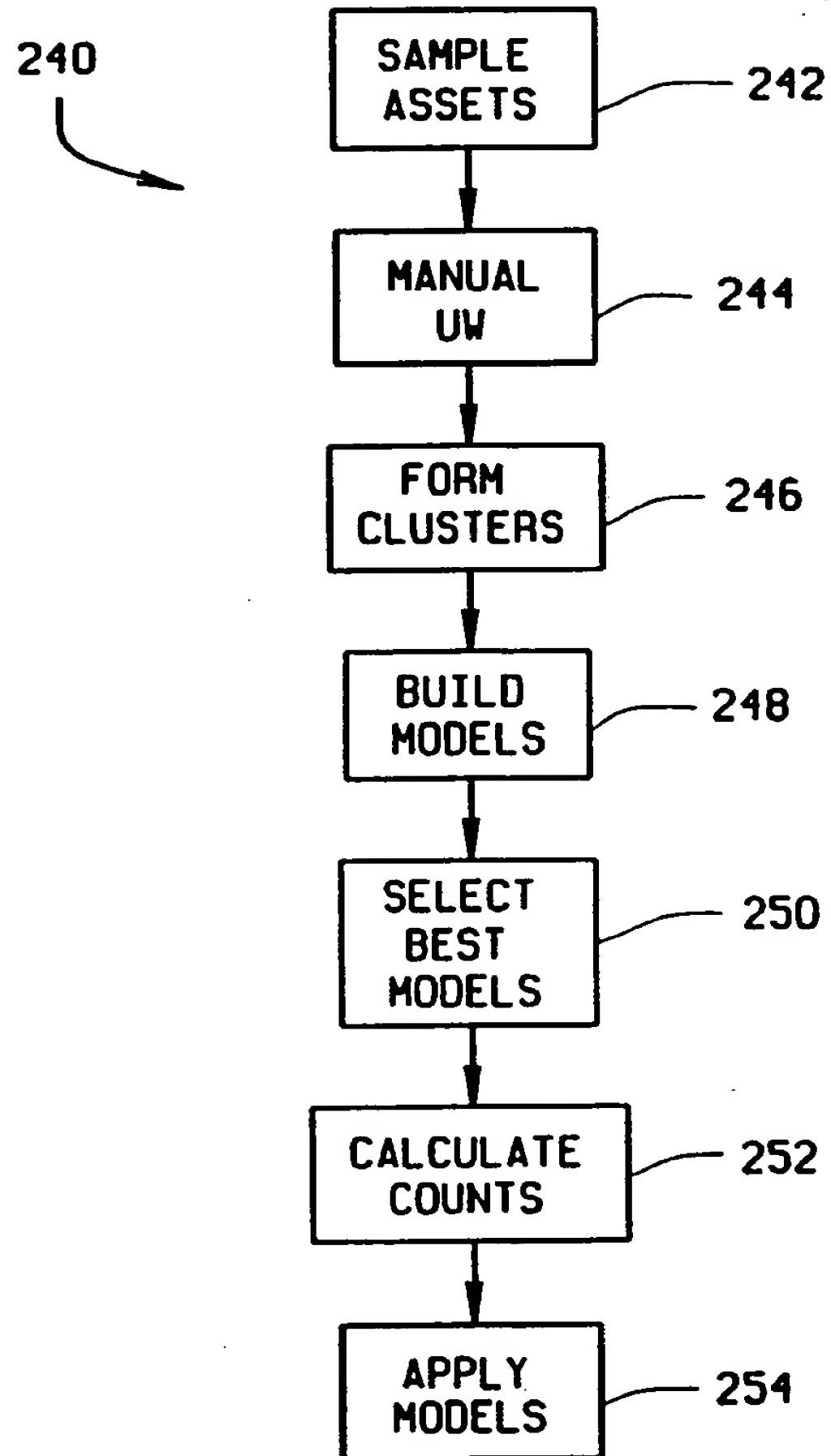


FIG. 8

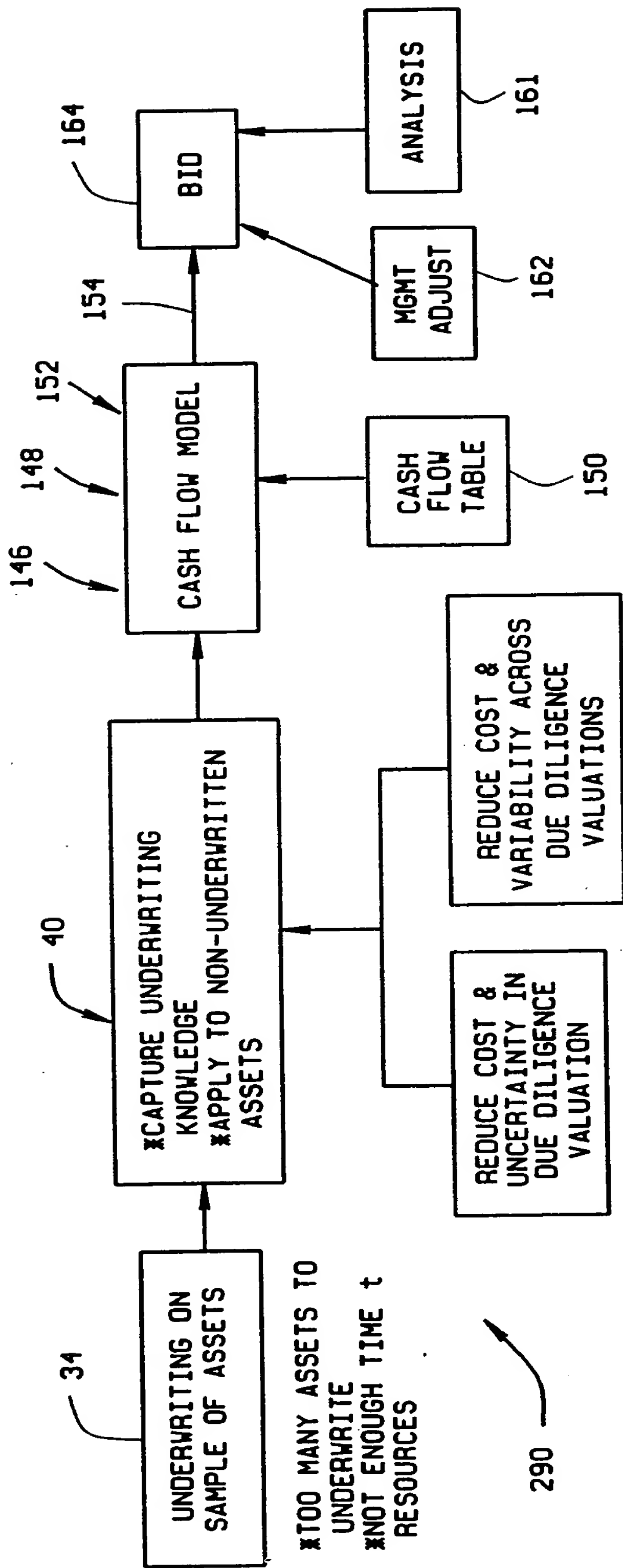


FIG. 9

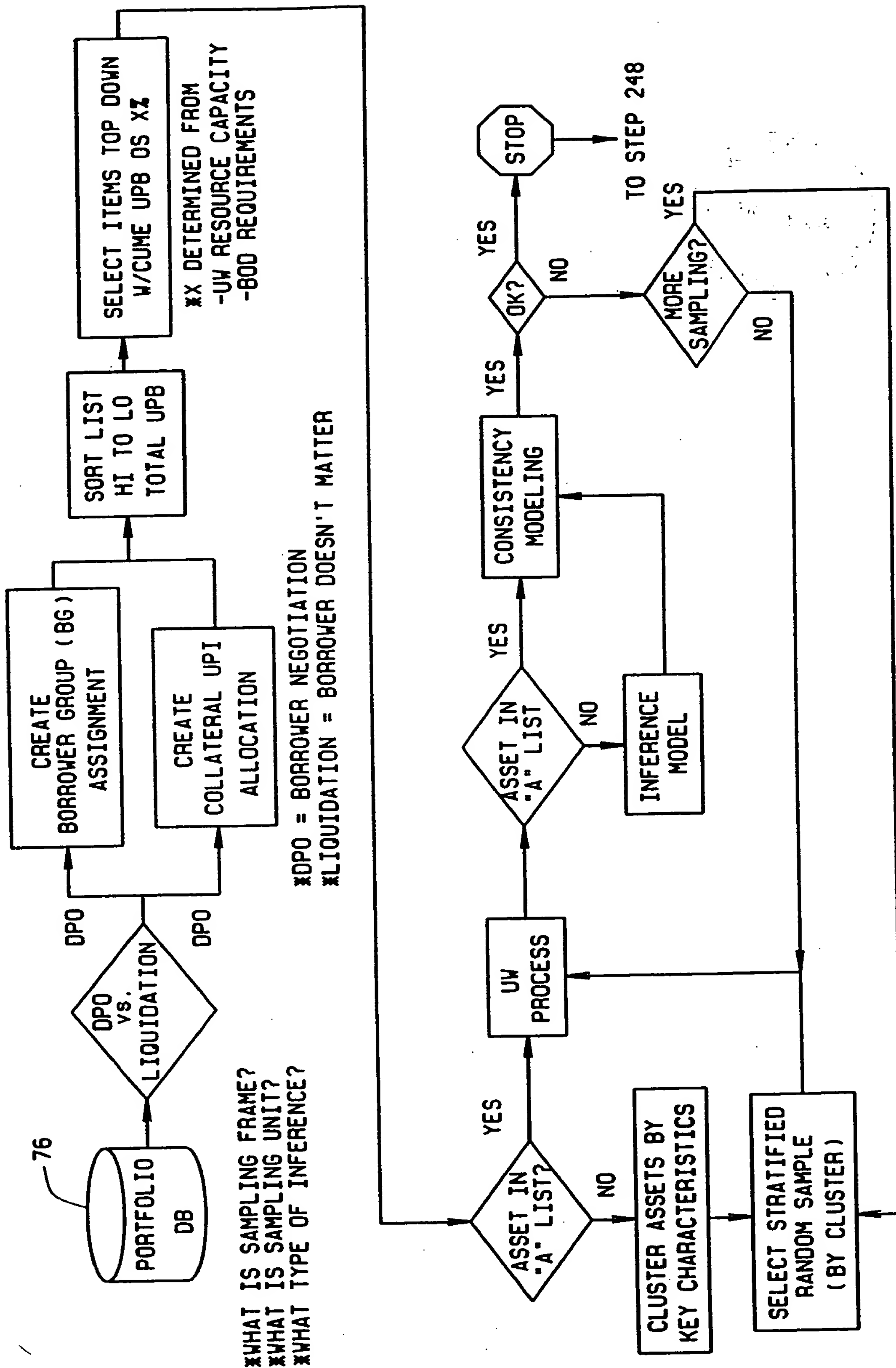


FIG. 10

6 MODELS BUILT:

MODELS DIFFER BY WHICH VARIABLES USED
XUW ASSETS GET THE MINIMUM ERROR
PREDICTION (ACTUAL-PREDICTED)

VARIABLES USED

- LAND AREA
- BLDG AREA
- OLD APPRAISAL
- GEN 1 PREDICTED CURRENT APPRAISAL
- GEN 1 PREDICTED REALIZED PRICE
- PROPERTY TYPE
- LOCATION
- COM/RES
- GROUP (CLUSTER)

250

-BY-

MODEL "WEIGHTS":

EACH CELL IS COUNT OF TIMES THE MODEL
PRODUCED BEST PREDICTION FOR UW ASSETS
DETERMINES WEIGHTS FOR AVERAGING PREDICTIONS FOR NON-UW ASSETS

| | MODEL 1 | MODEL 2 | MODEL 3 | MODEL 4 | MODEL 5 | MODEL 6 | SUM |
|---|---------|---------|---------|---------|---------|---------|-----|
| 1 | 13 | 13 | 13 | 8 | 32 | 32 | 87 |
| 2 | 29 | 25 | 29 | 24 | 19 | 19 | 148 |

256

COURT AUCTION COMMERCIAL

TOTAL

COURT AUCTION RESIDENTIAL

| | | | | | | | |
|---|---|----|----|----|----|----|----|
| 1 | 5 | 5 | 10 | 4 | 12 | 12 | 51 |
| 2 | 4 | 7 | 9 | 13 | 23 | 23 | 59 |
| 3 | 2 | 15 | 11 | 13 | 8 | 8 | 53 |

TOTAL

MARKET VALUE COMMERCIAL

252

258

TOTAL

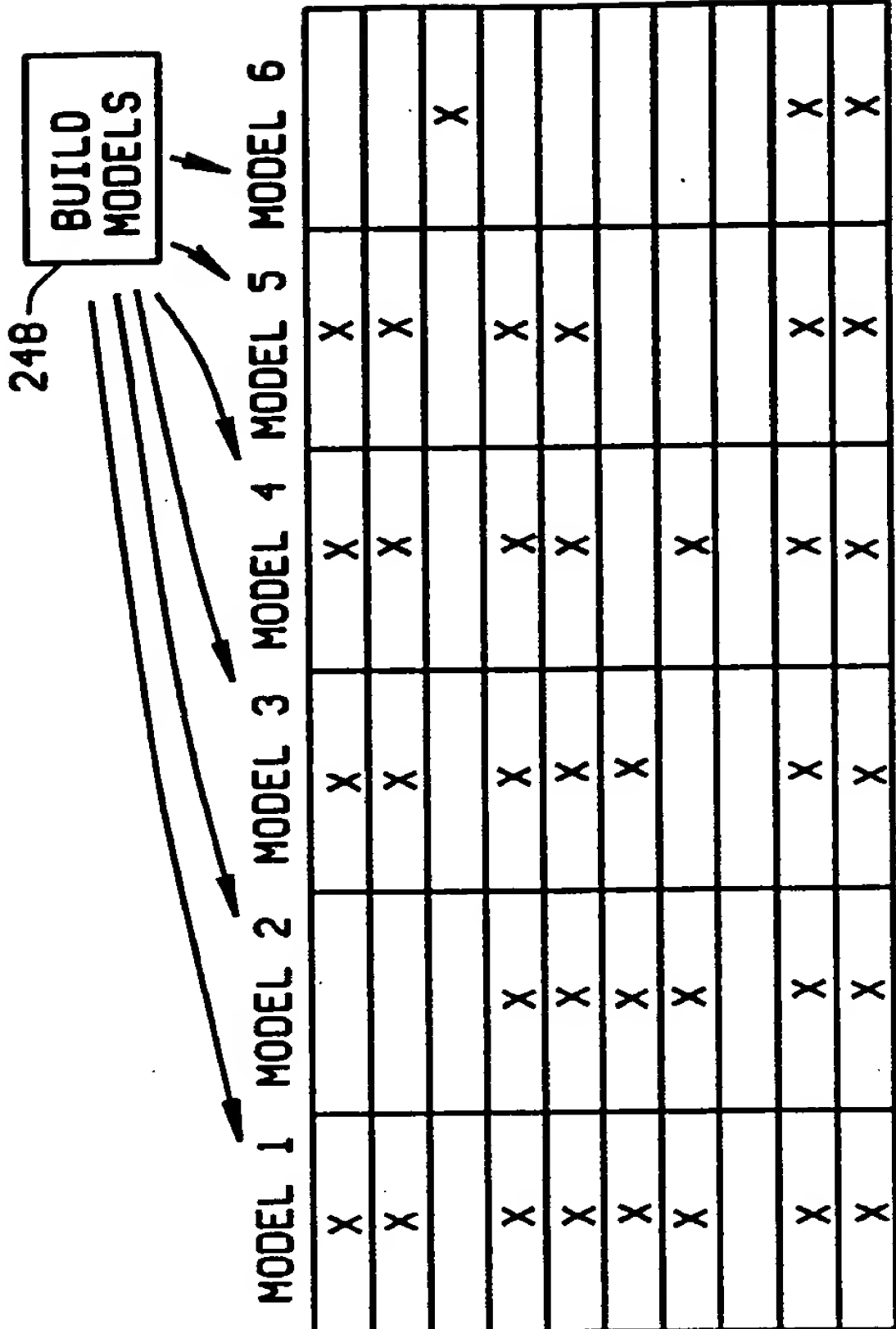
MARKET VALUE RESIDENTIAL

| | | | | | | | |
|---|---|----|----|----|----|----|----|
| 1 | 5 | 8 | 4 | 11 | 12 | 14 | 51 |
| 2 | 8 | 9 | 10 | 15 | 19 | 19 | 59 |
| 3 | 6 | 16 | 5 | 20 | 2 | 2 | 54 |

TOTAL

FIG. 11

164



| VARIABLE | CATEGORY/VALUE RANGE | ENCODING SCHEME |
|---------------------------------------|----------------------------|---------------------------------|
| LOAN SECURED | (YES, NO) | YES = 1, ELSE = 0 |
| LOAN TYPE | (REVOLVING, NON-REVOLVING) | REVOLVING = 1 ELSE 0 |
| LAST PAYMENT | (0, 250 MM) | 0 IF LAST PAYMENT = 0 ELSE 1 |
| NOTICE OF DEFAULT SENT | | PRIOR TO JUN 97 EQUALS 1 ELSE 0 |
| ORIGINAL MATURITY DATE | | PRIOR TO JUN 97 EQUALS 1 ELSE 0 |
| SYNDICATED LOAN | (YES, NO) | YES = 1, ELSE = 0 |
| LOAN GUARANTEED | (YES, NO, NAV) | YES = 1, ELSE = 0 |
| COLLECTION SCORE | (0, 1) | |
| LIEN POSITION | (-1, 0, 1) | 1 IF LIEN POSITION = 1 ELSE 0 |
| CURRENT UPAD BALANCE/ORIGINAL BALANCE | (0, 2.9) | NORMALIZED TO (0, 1) |
| LAST PAYMENT TO INTEREST/LAST PAYMENT | (0, 1) | |

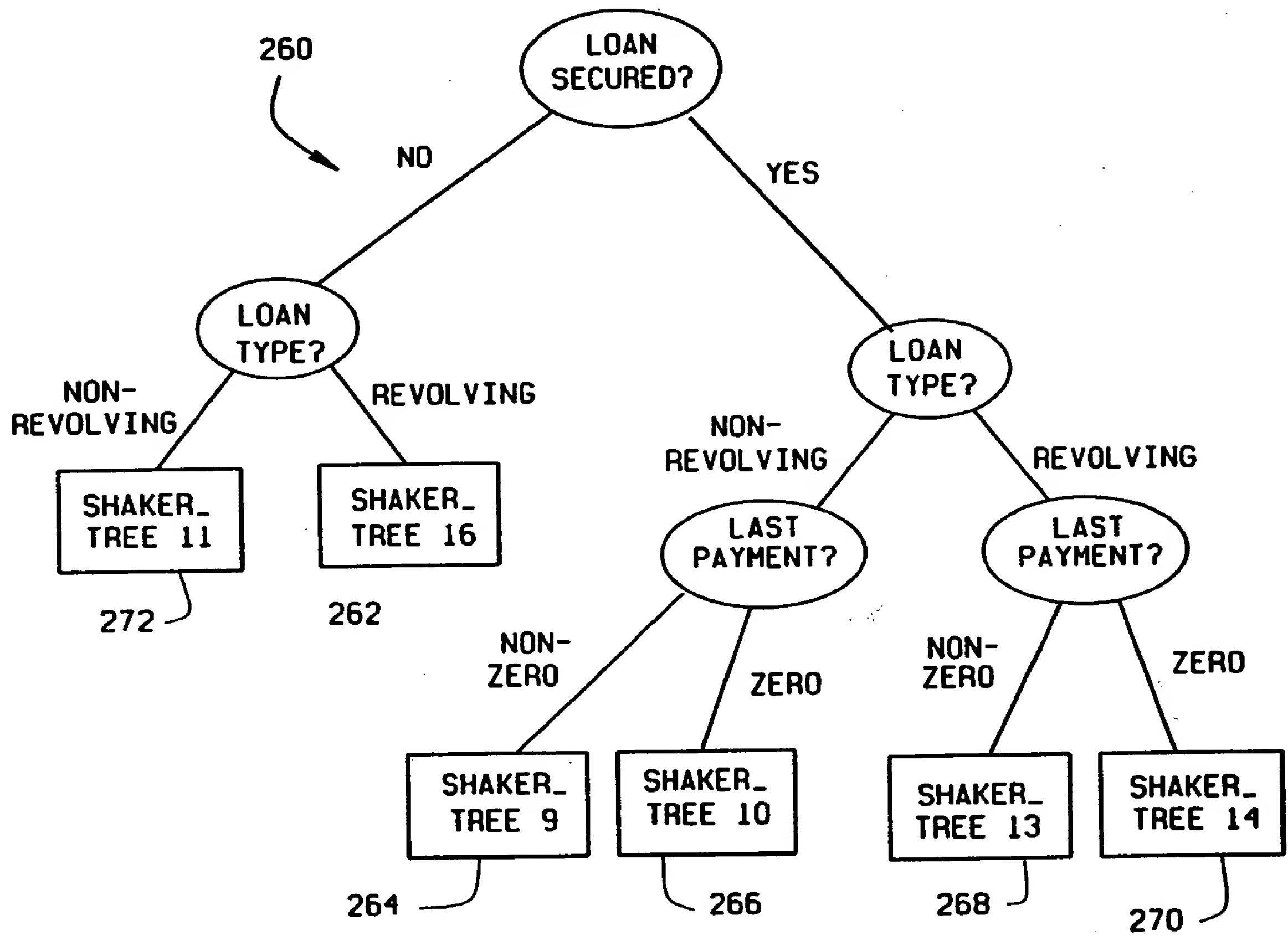


FIG. 13

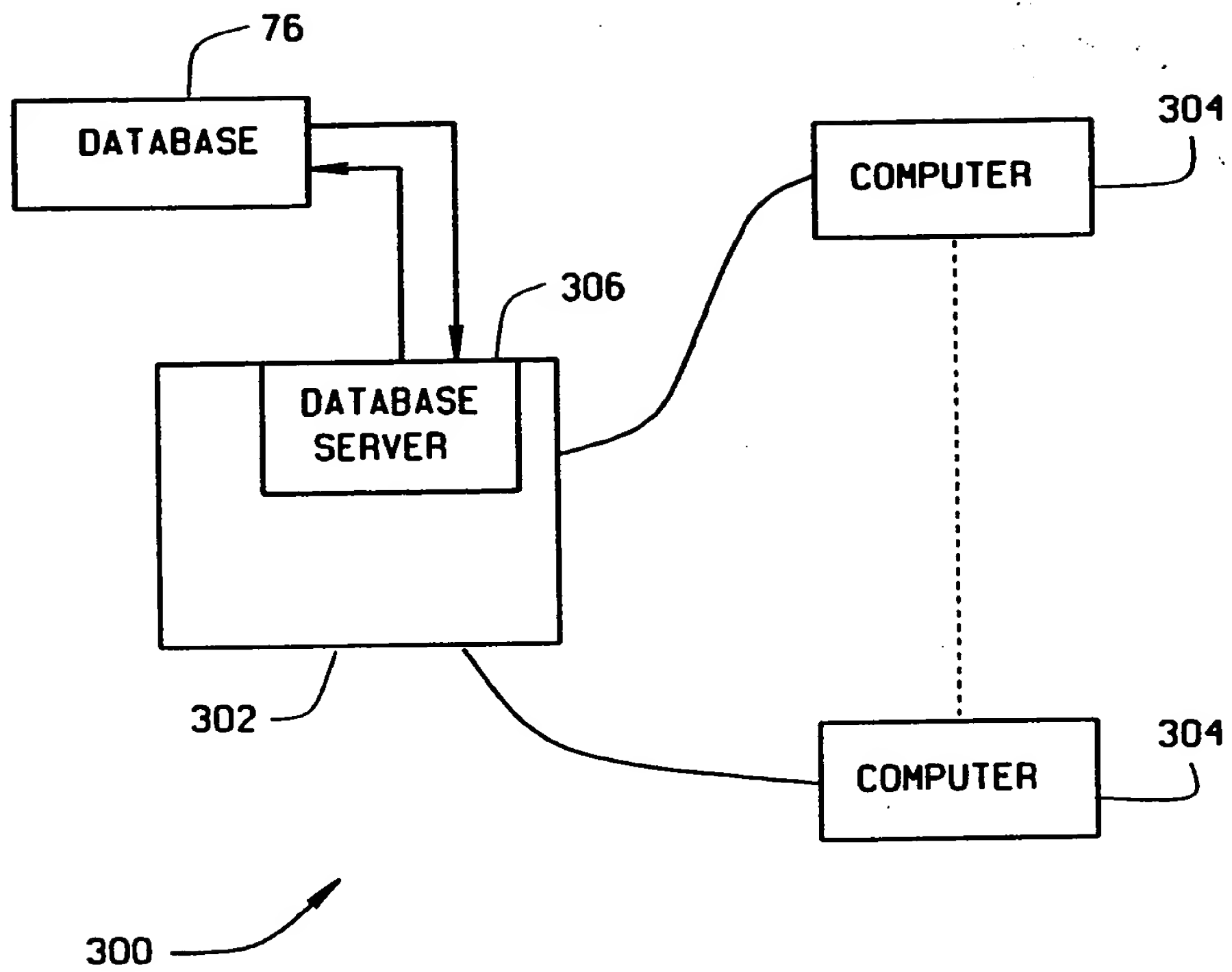


FIG. 14